

SENATE BILL 2326

By Kyle

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 4, Part 10, relative to the taxation of  
cigarettes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-1004(a), is amended by deleting the language "ten (10) mills" and by substituting instead the language "three cents (3¢)".

SECTION 2. Tennessee Code Annotated, Section 67-4-1004, is amended by deleting subsection (c) and substituting instead the following:

(c) Any wholesale dealers, jobbers, tobacco distributors, and retail dealers having cigarette tax stamps, affixed and unaffixed, in their possession on July 1, 2007, shall not be required to pay the additional cigarette tax on such stamps resulting from the increase in the tax rate from ten (10) mills to three cents (3¢) on cigarettes bearing such stamps.

SECTION 3. Tennessee Code Annotated, Section 67-4-1025, is amended by adding the following as a new, appropriately designated subsection:

( ) The provisions of subsections (a) and (b) to the contrary notwithstanding, all cigarette tax revenue generated from the increase in the tax rate from ten (10) mills to three cents (3¢) on each cigarette shall be deposited in the state general fund.

SECTION 4. This act shall take effect on July 1, 2007, the public welfare requiring it.